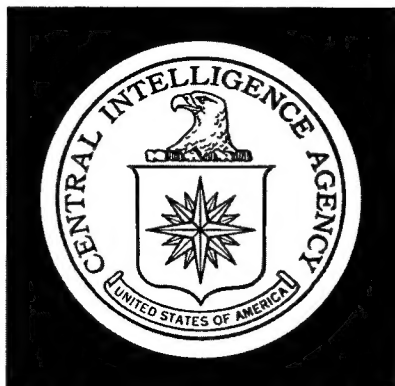


Top Secret



DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

State Department review completed

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25X1

114

23 July 1967

25X1

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Information as of 1600
23 July 1967

25X

HIGHLIGHTS

Sporadic heavy contact was reported near the Demilitarized Zone and in the western highlands region of South Vietnam over the weekend. A total of 48 slates for the election of South Vietnam's Senate have been posted by the central election council.

I. The Military Situation in South Vietnam:
The ground war in South Vietnam resumed a familiar pattern over the weekend with sharp enemy contacts reported in the western highlands and in the northern I Corps area. (Paras. 1-4). In a battle in War Zone D on 21 July elements of the US 11th Armored Cavalry Regiment report killing 90 Viet Cong while losing 13 killed and 59 wounded. (Paras. 5-6).

II. Political Developments in South Vietnam:
A total of 48 slates have been posted for the senatorial elections on 3 September (Paras. 1-3). The Directorate decided to recommend that the assembly change the date for the lower house elections from 5 November to 22 October (Para. 4).

25X

III. Military Developments in North Vietnam:
There is nothing of significance to report.

IV. Other Communist Military Developments:
There is nothing of significance to report.

V. Communist Political Developments: Recent Peking propaganda has underscored Chinese opposition to a negotiated settlement of the Vietnam war (Paras. 1-5).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. The ground war in South Vietnam resumed a familiar pattern over the weekend with sharp enemy contacts reported in the western highlands and in northern I Corps.

2. In the western highlands two companies of the US 4th Infantry Division in Operation FRANCIS MARION report killing 124 of an estimated enemy company six miles southeast of Duc Co in Pleiku Province on 23 July. The US forces lost 22 killed and 39 wounded in the five-hour battle.

25X1

4. To the north in I Corps, elements of the 3rd Marine Regiment fought through an attempted enemy ambush on Route 9 five miles east of the Marine outpost at Khe Sanh on 22 July. The ambushing North Vietnamese Army troops, reportedly wearing new uniforms and carrying new weapons and equipment, left 34 dead after a five-hour battle. The Marines, part of five battalion Operation KINGFISHER, lost 16 dead and 39 wounded. Farther east the North Vietnamese again demonstrated their ability to employ supporting arms in the area just below the Demilitarized Zone. During a five-hour battle on 21 July two Marine companies, also part of Operation KINGFISHER, were hit by 120 rounds of mortar fire, which cost them nine killed and 25 wounded. Four NVA soldiers are known to have been killed in this engagement.

5. Delayed reports from a battle in war Zone D northeast of Saigon on 21 July disclose that troops from the US 11th Armored Cavalry Regiment

23 July 1967

I-1

25X1

25X1

Approved For Release 2004/10/27 : CIA-RDP79T00826A002400220001-5

killed 90 Viet Cong while conducting a road clearing operation. The cavalrymen apparently surprised a unit of the 275th Regiment, 5th Viet Cong Division, as it was setting up an ambush site on Route 20 north of Xuan Loc, the capital of Long Khanh Province.

25X

23 July 1967

I-2

Approved For Release 2004/10/27 : CIA-RDP79T00826A002400220001-5

25X

II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Twelve upper house slates were disqualified by the central election council before the final posting on 21 July, leaving a total of 48 lists of ten candidates each for the electorate to choose from on 3 September. The only notable slates removed by the council were two associated with the militant Buddhists and one representing the Vietnamese Confederation of Labor (CVT).

2. The leader of one of the disqualified Buddhist tickets, Dr. Nguyen Duy Tai, the erstwhile physician to militant bonze, Thich Tri Quang, has petitioned the Provisional National Assembly to appeal the council's "impartial and dictatorial" decision. Dr. Tai's slate was reportedly disqualified on "neutralist" grounds similar to those used to remove "peace" candidate, Au Truong Thanh, from the presidential race. The assembly is not scheduled to review the action taken on the senate lists.

3. According to the US Embassy, about 18 of the eligible 48 slates are more important than the remaining 30. They represent nearly every political and religious group of significance as well as the leading presidential candidates. The 18 are composed of civilian members of the Directorate, members of the assembly, representatives on the Peoples-Army Council, and numerous professional Saigon politicians. Both Chief of State Thieu and Premier Ky will reportedly back some of the slates--during the campaign--probably publicly in hopes of carrying them into office. In the embassy's opinion, the outcome of the senate contest will probably depend upon the organizational support for each slate, its association with a leading presidential candidate, and the degree to which the public recognizes familiar names among the 480 candidates.

Lower House Elections

4. During a meeting on 20 July, the joint civilian-military Directorate decided to recommend to the assembly that the present 5 November election

23 July 1967

II-1

25X1

Approved For Release 2004/10/27 : CIA-RDP79T00826A002400220001-5

date for the lower house be changed to 22 October in order to have a complete national assembly before 1 November, the anniversary of Diem's overthrow four years ago. Assembly chairman Phan Khac Suu told a US Embassy officer that he would not object to a date change. A majority of the Directorate also agreed that candidates who are defeated in the senatorial elections should be allowed to compete for the approximately 130 seats in the lower house.

25X1

23 July 1967

II-2

25X1

Approved For Release 2004/10/27 : CIA-RDP79T00826A002400220001-5

III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

23 July 1967

III-IV-1

V. COMMUNIST POLITICAL DEVELOPMENTS

1. Peking has used the anniversary of Ho Chi Minh's tough and unyielding statement on the war made on 17 July of last year to underscore its own opposition to any negotiated settlement of the conflict and to lecture the Vietnamese once again on the evils inherent in any compromise solution for the war.

2. In language more stringent than that employed by the Vietnamese on the statement's anniversary a People's Daily editorial on 21 July praised the fighting ability of the Vietnamese people and their resolve to--in the words of Ho's statement--"fight until complete victory whatever the sacrifices and hardships." At the same time, the editorial implicitly warned Hanoi against the efforts of the "Soviet revisionist clique" at ending the war by "putting out the flames of popular revolution" and pointedly reminded the Vietnamese that there is "no middle road or compromise" in the struggle between the correct Marxist-Leninist revolutionary line of the Chinese Communist Party and the counterrevolutionary line of the Soviets.

3. Peking condemned the idea of negotiations again in a People's Daily "Commentator" article on 23 July which attacked as "sheer deception" Secretary of State Rusk's recent statement about a bombing cessation in return for a Communist "de-escalation" of the war. Claiming that such "peace proposals" were merely a sign of growing US weakness, Comentator ruled out any possibility of a de-escalation in the war. He pointed out that this latest US "peace scheme" was taken in collusion with the Soviet revisionists and that Vietnamese resistance to such proposals was clearly evident in the words of Ho's 17 July statement.

4. While lecturing the Vietnamese in the press, the Chinese also took the occasion of the visit of DRV politburo member Le Thanh Nghi in Peking to press home their opposition to negotiations and "Soviet

23 July 1967

V-1

collusion with the US." Speaking at a 21 July banquet in Nghi's honor Vice Premier Le Hsien-nien, ignoring Vietnamese sensitivities on the Sino-Soviet controversy, condemned the "Soviet modern revisionists" branded their increasing collaboration with the US as an effort at stifling the Vietnamese people's struggle."

5. Despite the outcry from Peking, Hanoi has continued to reiterate its own more flexible position on a settlement of the war. An article in the 21 July issue of the party daily Nhan Dan, listed the "four points," Ho Chi Minh's letter to President Johnson of last February and Foreign Minister Trinh's January offer of talks in return for a cessation of the bombing as the core of the DRV position. Peking has repeatedly supported the four-point statement, but has indicated its disapproval of Ho's letter and the Trinh statement by making no public mention of them.

23 July 1967

V-2

25X1

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Next 4 Page(s) In Document Exempt

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